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C O N F I D E N T I A L SECTION 01 OF 03 COLOMBO 001631

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STATE DEPT FOR SA, SA/INS, PM NSC FOR E. MILLARD SECDEF FOR OSD: CLILIENFELD

E.O. 12958: DECL: 09-19-13 TAGS: \underline{PREL} \underline{PGOV} \underline{MASS} \underline{PARM} \underline{CE} \underline{IS} SUBJECT: Sri Lanka: Untangling the confusion over the Bushmaster cannons matter

Refs: Colombo 1529, and previous

- (U) Classified by Ambassador Jeffrey J. Lunstead. Reasons 1.5 (b, d).
- 11. (C) SUMMARY: In this message, Mission provides a brief overview of the status of the possible FMS procurement of Bushmaster cannons for the GSL. Suggested next steps for Washington to review with visiting Minister Moragoda and Ambassador Subasinghe are discussed. Mission would appreciate any additional information from Washington on this matter. END SUMMARY.
- 12. (C) POSSIBLE FMS PROCUREMENT: In light of Minister Moragoda's upcoming visit to Washington, Mission wants to provide a brief overview of the proposed FMS procurement of Bushmaster cannons for the Sri Lankan Navy (SLN) and review possible next steps. As flagged in Reftel, the possible FMS procurement has been controversial in Sri Lanka, with the Prime Minister and others in the GSL, including Moragoda, strongly supporting it. SLN Commander Admiral Daya Sandagiri, however, has been fighting a rearguard action against it (see Paras 3-5). This debate has gone on amid public charges and counter-charges over specification issues, and insinuations that the SLN is exploring other options for corrupt reasons. In a September 17 telephone call with the Ambassador, Sri Lankan Ambassador to the U.S. Devinda Subasinghe seemed confused about the whole matter and we think it is important that the U.S. have its ducks in a row before Moragoda arrives.
- ¶3. (C) KEY FACTS: In our estimation, pertinent facts regarding this matter follow:
- -- The November 2002 PACOM Defense Assessment of the Sri Lankan military recommended that SLN fast attack craft (FAC) be outfitted with 30mm cannons to upgrade the existing 23mm cannons. This upgrade would assist SLN efforts to interdict and deter Sea Tiger resupply efforts. The GSL agreed with the recommendation, settling on the U.S.-made Bushmaster cannon as an option. DoD proceeded to look into possible procurement under FMS and determined that the Mark 46 weapons system (which includes a Bushmaster cannon) might be appropriate.
- -- The SLN, however, announced in June 2003 that it thought that the Mark 46 weapons system was too heavy for its 30 FAC. There had been no/no definitive determination by DoD that this was the case, however. As mentioned in an August 18 letter from the USN IPO to the Sri Lankan DATT, the U.S. indicated that it would be willing to do a technical feasibility study to determine if the Mark 46 could be modified to fit the FAC, but that "this would require funding." We are not aware of a SLN response to this letter.
- -- In the meantime, the SLN has looked into other options, including a possible commercial sale involving a Mark 44 weapons system (Bushmaster cannons and a "Typhoon" mount) sponsored through the Israeli company Rafael. DoD has informed the SLN, however, that the U.S. could not/not provide this system as a FMS procurement, as the Mark 44 is not a proven system.
- -- The SLN's preferred solution, and one endorsed by the Ministry of Defense, is to buy an Israeli system based on the Oerlikon gun for all 30 FAC's.
- -- SLN Commander Sandagiri stated in a September 14 newspaper interview that his preferred option was the Oerlikon system, but that he was being pressured by the PM to buy 15 Oerlikon systems and 15 from the U.S. for "political" reasons.
- -- In his September 17 conversation with the Ambassador, Subasinghe added that he was looking at other possible weapons systems (other than the Mark 46 or Mark 44). Subasinghe also stated that the U.S. had agreed with the

SLN that the Mark 46 system was too heavy. To our

- knowledge, that is not the case.

 14. (C) FURTHER BACKGROUND: Regarding some of the other dynamics swirling around this matter, Mission is not certain why the SLN seems so opposed to a FMS procurement of the Mark 46. It is possible that it honestly believes that the Mark 46 would not meet SLN needs because it is too heavy. It could also be because the SLN does not want to start a FMS relationship with the U.S. At the same time, as mentioned above, there are many rumors floating around that the SLN is on the take and believes that it can siphon funds from a possible Rafael-arranged sale, but not from a FMS procurement.
- (C) As for the GSL, we believe that the PM and Moragoda strongly want to establish a FMS relationship with the U.S. involving lethal weapons such as the Bushmaster cannon. At this point, especially given all of the contentious, politically tinged press coverage, we believe that the government feels it has a lot invested in obtaining a FMS procurement involving a U.S. system. Sandagiri is known to be very close to President Kumaratunga and, for the GSL, the issue of the Bushmaster cannons has become linked with chronic cohabitation strains between the PM and the president. In the PM's view, giving in on the FMS procurement would make him look weak and give a victory to its political
- $\underline{\ }$ 6. (C) NEXT STEPS: During his meetings in Washington, Moragoda will almost certainly raise this issue. We should make clear that we understand that the underlying issues involved are technical and complex, but stress that the U.S. wants to assist the GSL in coming to the best decision on how to proceed. (We should also make clear that the U.S. has never expressed agreement with the SLN view that the Bushmasters are too heavy if in fact that is true.) We suggest that the following options be considered for discussion:
- -- If the GSL wants to proceed with the possible FMS procurement of the Mark 46 weapons system, it should request that DoD send a team to assess the technical feasibility of the system. The question of who would fund this assessment would need to be reviewed. The GSL should also understand that this assessment might indicate that the proposed procurement is not practical.
- -- If the GSL wants to proceed with the possible commercial procurement of the Mark 44 weapons system, it is free to do so. The U.S. would be happy to discuss commercial options with the GSL and we would recommend purchasing a U.S.-made product (like the Bushmaster cannon), if at all possible.
- -- If neither the Mark 46 or Mark 44 are technically feasible, the GSL should feel free to proceed with any

We should also offer Moragoda and other GSL officials follow-up meetings that would provide additional detail and help clear up any lingering confusion over this matter. In the meantime, Mission would appreciate any additional information from Washington.

- (C) COMMENT: There are at least two sets of related issues here. The first are technical: the suitability for the FAC's of the Bushmaster cannon and its capabilities compared to other available systems such as those offered by Israel. There also may be cost issues here. We at Post are not competent to judge the technical issues. Some, such as the suitability issue, are probably not resolvable without further study.
- 18. (C) COMMENT (Continued): The second set comprises political issues. The PM and Moragoda are not experts on weapons systems; their desire for the Bushmaster seems driven at least as much by their political desire to have an FMS relationship with the U.S. on a lethal item as by any technical considerations. Cohabitation stresses with the president are clearly weighing on the PM and allowing Sandagiri to dictate weapons purchases would be seen as a political defeat for the PM. From our perspective, it would be best to: (1) Resolve the technical issues in a definitive manner so that (2) the GSL can decide definitively how it wishes to move forward. From our perspective, while there is political value for us in an FMS relationship with the GSL, it is not an overriding imperative. However, to the PM and his supporters this matter has significant political resonance domestically. We should therefore be as helpful as possible in facilitating and possibly funding the study to determine whether the Mark 46 is feasible. It would make no sense for anyone to expend significant political capital if the system is technically not

feasible. END COMMENT.

19. (U) Minimize considered.

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